

**CONFIRMATION HEARING
FOR
JAMES G. HUSE, JR.**

**TO BE
INSPECTOR GENERAL OF
SOCIAL SECURITY**

COMMITTEE ON FINANCE

U.S. SENATE

SEPTEMBER 15, 1999



**JAMES G. HUSE, JR.
ACTING INSPECTOR GENERAL**

Statement for the Record
James G. Huse, Jr.

Good morning, Mr. Chairman, Senator Moynihan, and members of the Committee. It's an honor for me to be the Presidential nominee for the position of Inspector General (IG) of Social Security. I consider today's hearing to be the high-point of my 34-year Federal career. I appreciate the opportunity to appear before this distinguished panel to discuss my vision for ensuring the integrity of SSA's programs should I be confirmed.

Let me briefly summarize my experience and qualifications. I first arrived at Social Security in February 1996. An independent Office of the Inspector General had just been created. As the first Assistant Inspector General for Investigations, my main task was to construct a robust investigative unit to attack program fraud. I hired over 200 new criminal investigators and deployed them in strategic locations throughout the country.

In November 1997, I was promoted to Deputy Inspector General, and in June 1998, became the Acting Inspector General. These positions provided me with the opportunity to help shape the entire OIG organization. My first act as the Acting IG, was to establish an Office of External Affairs to focus on quality assurance and congressional liaison. I consider these vitally important functions. Our audits and investigations must be conducted with strict adherence to legal and professional standards. I also recognized the need for a focal point for contact with Congress and established the congressional liaison office and a Quick Response team to address issues requiring immediate attention.

I believe that SSA's OIG has become a strong organization in the fight against fraud in SSA's programs. Both the Congress and SSA have invested significant resources to create a first-rate OIG. This investment allowed us to establish one of the largest

Anti-Fraud Hotlines in government, by increasing our Hotline staffing from 2 positions to 54 positions. Our investigators also amassed about 1,500 convictions, and over 55 million dollars in fines, court-ordered restitution and savings for the first half of this fiscal year.

I have also established a number of law enforcement initiatives to make efficient use of our resources. Several of these initiatives actually prevent fraud on the front-end of SSA's business processes. These include our Cooperative Disability Investigative Teams that focus on front-end disability fraud and our Identity Theft Task Forces. If confirmed, I will expand these efforts.

Our Office of Audit, which has increased in size by almost one-third since 1995, is also making significant contributions. In the first half of this fiscal year, our auditors reported about **\$140** million in questioned costs and funds that could be put to better use. We also issued a key report on the *Use of Social Security*

Numbers to Commit Fraud, which has launched an SSA-wide dialogue focusing on Social Security Number misuse and Identity Theft. Also, with the help of Congress, I increased the number of resources dedicated to monitoring SSA's implementation of the Government Performance and Results Act.

In 1994, the Congress provided the Commissioner of Social Security with new enforcement tools to fight misleading advertising and program fraud. Using these tools, our OIG Counsel's office has imposed civil monetary penalties and made substantial progress in combating deceptive advertising. In April 1999, we stopped the Federal Record Service Corporation from targeting millions of Americans with misleading SSA-related advertisements. If confirmed, I plan to further expand our civil monetary penalty program to protect SSA's Trust Funds and its customers.

I believe my 34 years of experience have prepared me for the responsibilities of the Inspector General position. My early service as an Army officer, where I served two tours of duty in Vietnam, provided valuable lessons in leadership. These skills were further refined during my 25 years with the Secret Service, where I served in increasingly more responsible law enforcement management positions.

If confirmed, I am committed to building on our current progress. I will concentrate heavily on program integrity issues facing the high-risk Supplemental Security Income program, as well as the disability program. I will also aggressively pursue Social Security number misuse and Identity Theft issues. Finally, since we have more than doubled our size since 1995, I would ensure that a strong and diverse management team leads an independent OIG into the next millennium.

Because Social Security plays such an important role in the lives of Americans, I would consider it an honor to serve as the next Inspector General for Social Security. Thank you for this opportunity, and I would be pleased to answer any questions you might have.